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50X1-HUM

1. The present USSR Ministry of the Merchant Fleet is an All-Union ministry which was created in 1946. Previously there had been a People's Commissariat for Water Transport which was dissolved in 1939 when its responsibilities were taken over by two new organizations, the People's Commissariat of the Merchant Fleet and the People's Commissariat of Inland Waterways (Narodnyy Komissariat Rechnogo Flota). In 1946 when all People's Commissariats were abolished, the Commissariat of the Merchant Fleet was transformed into a ministry. (It does not include the inland waterways.)

50X1-HUM

2. The present minister of the Merchant Fleet is Nikolay Vasilevich Novikov, formerly director of the Far Eastern Steamship Company. His official title is Director General of the Merchant Fleet, the highest rank within this organization. However, all USSR ministries are subordinate to the USSR Council of Ministers. The Ministry of the Merchant Fleet is directly under the Deputy President of the Council of Ministers, Lavrentiy Pavlovich Beriya, which results in an almost complete dependence of the ministry and its personnel on the MGB. Overt and covert MGB representatives are posted in all agencies of the ministry to watch over their activities and their personnel. This is the explanation for the ruthless regime prevailing in the Soviet Merchant Fleet, where the sudden and mysterious disappearance of individuals in high positions and arbitrary arrests of other personnel are common events.

50X1-HUM

CLASSIFICATION

SECRET

50X1

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50X1-HUM

SECRET/SECURITY INFORMATION

50X1

-2-

3. The head of the political administration of the ministry is Rumyantsev, who enjoys the full confidence of Beriya. Although on paper he is subordinate to the minister, Rumyantsev is extremely powerful and his strong hand is felt in all the administrations of the Merchant Fleet and in the steamship companies. No major decision is taken in the ministry without the approval of Rumyantsev. Officially the political administration is responsible for ideological indoctrination of the personnel in the Merchant Fleet. In reality, however, the most important work of the political administration consists in organizing and supervising the vast MGB espionage network among seamen on behalf of the Maritime Division of the MGB. 7
4. Since its last reorganization in 1951 the Ministry of the Merchant Fleet has five, instead of four, deputy ministers whose names are: Men'shikov (fnu), Bakayev (fnu), Bayev (fnu), Savinov (fnu), and Khayurov (fnu). Bayev, who had been deputy minister for the coordination of the Chief Directorate of the Southern Fleet and the Chief Directorate of the Petroleum Shipping Fleet, was appointed at the end of 1951 as Deputy Minister for General Administration (Po Obshchim Voprosam). From then on the section chiefs who had reported directly to the minister were subordinate to Bayev. His former position was given to Savinov, originally head of the Caspian Dry Cargo Steamship Company (Kaspiyskoye Sukhogruznoye Parokhodstvo).
5. It is a significant fact that the ministry is constantly being reorganized. Far-reaching organizational changes are made every year and sometimes twice a year. The aim is obviously to increase the efficiency within the various departments of the ministry and to establish better coordination between them in order to permit the elaboration of adequate policies for the administration of the sprawling ministry. The result of these incessant organizational shifts, however, is confusion and chaos, a state of affairs which is characteristic not only of this ministry but of the entire high-level administration of the USSR.
6. In addition to five deputy ministers, the Ministry of the Merchant Fleet has seven chief directorates (Glavk). Four of them cover the maritime fleets, the other three are technical departments, as follows:
- (a) The Far Eastern Fleet
  - (b) The Northwestern Fleet
  - (c) The Southern Fleet
  - (d) The Petroleum Shipping Fleet
  - (e) The Maritime Industrial Enterprises
  - (f) The Main Maritime Construction Directorate
  - (g) The Maritime Routes Directorate

SECRET/SECURITY INFORMATION

## SECRET/SECURITY INFORMATION

-3-

50X1

50X1-HUM

7. [ ] some details about the other important departments of the Merchant Fleet. The names of department chiefs are given wherever available. The three following departments are directly under Deputy Minister Men'shikov. See Enclosure A/

- (a) The Chief Directorate of Maritime Industrial Enterprises (Glavnoye Upravleniye Morskoy Promyshlennosti - "Glavmorprom") is responsible for all industrial enterprises of the ministry such as shipyards, ship repair yards, wharves and dry docks.
- (b) The Central Designing Bureau (Tsentral'noye Proektno-Konstruktorskoye Byuro - "Ts.P.K.B.") is responsible for the solution of all technical problems, the preparation of blueprints, and the execution of projects connected with the maintenance, repair, and overhaul of floating vessels and harbor facilities. This bureau is not concerned with the building of new ships and harbor facilities, but solely with the proper utilization and maintenance of the existing ones.
- (c) The Main Maritime Construction Directorate (Glavnoye Upravleniye Morskogo Stroitel'stva - "Glavmorstroy") is headed by Tsesarskiy (Im) as Engineer-Director General of the Merchant Fleet, Third Class (Inzhener-General Direktor Morskogo Flota III Klassa). This administration is responsible for all construction and building activities done for the Merchant Fleet, such as shipyards, harbor facilities, buildings, and housing projects. It does not construct directly, however, but operates through a series of local construction companies which are responsible to the ministry in technical matters. According to their size these companies are called construction administrations (Stroyupravleniye), construction trusts (Stroytrest) or construction sections (Stroyuchastok). Altogether there are some 40 construction administrations and trusts, and probably more than 100 construction sections. Steamship companies, docks, shipyards and ship repair yards, according to their size, use one or another of these construction agencies for actual construction jobs. These agencies are attached to the companies for which they work and subordinate to them for administrative and financial matters although they receive their technical directives from the ministry.

8. Deputy Minister Bakuyev heads two chief directorates, as follows:

- (a) The Chief Directorate of the Far Eastern Fleet (Glavnoye Upravleniye Dal'nevostochnogo Flota i Portov - "Glavdal'flot") which is responsible for the operations of two steamship companies:
  - (1) The Far Eastern State Steamship Company (Dal'nevostochnoye Gosudarstvennoye Morskoye Parokhodstvo) has its headquarters in Vladivostok. This company transports freight in the Far East peripheral regions of the USSR and some passengers, mostly slave labor, from one region to another. When trade relations with the US and other democratic countries were broken off, this company lost much of its importance for overseas trade and at present it is of no more than local significance.

SECRET/SECURITY INFORMATION

SECRET/SECURITY INFORMATION

50X1

-4-

- (2) The Sakhalin State Steamship Company (Sakhalinskoye Gosudarstvennoye Morskoye Parokhodstvo) with headquarters in Kholmsk is commercially rather unimportant. It was established for political reasons at the time when the whole of Sakhalin came under Soviet domination.

- (3) In 1950 there were some rumors that a third steamship company would be established under the Far Eastern Fleet.

50X1-HUM

- (b) The Chief Directorate of the Northwestern Fleet (Glavnoye Upravleniye Severo-Zapadnogo Flota i Portov - "Glavsevzapflot") is headed by Nesterov (fnu), Director General of the Merchant Fleet, Third Class. This administration is responsible for the operation of the following companies:

- (1) The Baltic State Steamship Company is headed by Loginov (fnu), Director General of the Merchant Fleet, Third Class. This company, the largest within the Northwestern Fleet, has its headquarters in Leningrad. It handles mainly imported goods such as coal, semi-finished metal products, raw steel, various ores and machinery, and export goods such as timber and grain.

50X1-HUM

50X1-HUM

- (2) The Murmansk Steamship Company is located in Murmansk. It participates in export of timber and carries coal imports from Spitzbergen. It also carries many passengers, mostly slave labor, between various points of the northern regions of the USSR.
- (3) The Northern State Steamship Company is located in Archangel. It carries timber, food stuffs and grain for the export trade and handles imports of coal. Its passenger trade is of the same nature as that of the Murmansk company.
- (4) The Latvian State Steamship Company is located in Riga.
- (5) The Estonian State Steamship Company is located in Tallinn. These last two companies are both quite small and insignificant. They are almost entirely dependent on the Baltic Steamship Company and were created mostly for political reasons after the occupation of the Baltic countries by the USSR.

9. Deputy Minister Savinov (fnu) heads two chief directorates, as follows:

- (a) The Chief Directorate of the Southern Fleet (Glavnoye Upravleniye Yuzhnogo Flota i Portov - "Glavyuzhflot") commanded by Savinov himself, who is Director General of the Merchant Fleet, Third Class. The Southern Fleet is responsible for the operations of the following steamship companies:

SECRET/SECURITY INFORMATION

SECRET/SECURITY INFORMATION

50X1

-5-

- (1) The Black Sea Dry Cargo State Steamship Company (Chernomorskoye Gosudarstvennoye Sukhogruzhnoye Parokhodstvo) with headquarters in Odessa. This is the largest and most important shipping company on the Black Sea. It handles overseas exports of grain and other foodstuffs and imports of ores, cement, agricultural machinery and nonferrous metals. It also carries many passengers.
  - (2) The Sochi State Steamship Company has its headquarters in Sochi /4335N-3940E/ on the Black Sea. This company is only of local importance and carries mostly passengers.
  - (3) The Azov State Steamship Company with headquarters in Azov on the Don /4750N-3922E/ is not very large but quite important as a link for the shipping between the Don River and the Black Sea. It carries ores, coal, grain and other foodstuffs and also many passengers.
  - (4) The Soviet Danubian State Steamship Company (Dunayskoye Sovetskoye Gosudarstvennoye Parokhodstvo). This company, which has its headquarters in Izmail on the Danube /4521N-2850E/, plays a very important role since the end of World War II, when it was organized for the purpose of handling Soviet export and import traffic with Soviet satellite and western European countries, especially Switzerland. To facilitate the operations of this company, Soviet steamship agencies enjoying extra-territorial rights were organized in all satellite Danubian harbors. For the export trade the company handles mostly grain, agricultural machinery, and foodstuffs. Its import cargoes are composed largely of oil from Rumania; machinery, footwear, and leather goods from Czechoslovakia; various metal goods and precision machinery from Switzerland. In addition it carries urgently needed manufactured goods and machinery, acquired all over the world, often shipped for sale or resale to the USSR.
  - (5) The Caspian Dry Cargo State Steamship Company (Kaspiyskoye Gosudarstvennoye Sukhogruzhnoye Parokhodstvo - "Kaspflot") has its headquarters in Baku. During World War II this company was extremely active in moving lend-lease equipment from Iran to Astrakhan'. Since the end of the war, when transports from Iran have ceased completely and the other trade has been cut by 50% of the first post-war years, the company has no more than local importance. It is now reduced to handling domestic shipping of cotton, rice, salt, foodstuffs and passenger transport between the various harbors on the Caspian Sea.
- (b) The Chief Directorate of the Petroleum Shipping Fleet (Glavnoye Upravleniye Neftenalivnogo Flota - "Glavnefteflot"). The chief of this directorate is an engineer, Lt Col Lev Izrail'yevich Serebryanny. This directorate is responsible for the operation of the following companies:

50X1-HUM

SECRET/SECURITY INFORMATION

SECRET/SECURITY INFORMATION

50X1

-6-

- (1) The Caspian State Petroleum Shipping Company (Kaspiyskoye Gosudarstvennoye Neftenalivnoye Parokhodstvo - "Kasptanker") has its headquarters in Baku, where it handles the transport of oil and oil products.
  - (2) The Astrakhan' State Roadsteads Petroleum Shipping Company (Astrakhanskoye Gosudarstvennoye Reydovoye Neftenalivnoye Parokhodstvo - "Reytanker") is in Astrakhan'. The company serves as a link in transports of oil and oil products from a point on the Caspian Sea called "14 Feet Roadsteads" to Astrakhan', and from this city to various other harbors on the Caspian Sea.
  - (3) The Black Sea State Petroleum Shipping Company (Chernomorskoye Gosudarstvennoye Neftenalivnoye Parokhodstvo - "Sovtanker") is located in Odessa. This company handles export and import shipments of oil and oil products, as well as internal shipments of oil between various Black Sea harbors.
10. Deputy Minister Khayurov (fnu) is responsible for two chief directorates and a mobilization section, as follows:
- (a) The Chief Directorate of Personnel (Glavnoye Upravleniye Kadrov) is headed by Kirillov (fnu), whose rank is Captain of the Merchant Fleet, First Class. This directorate is in charge of the recruitment and assignment of personnel and maintains a central file on all the personnel on duty with the Merchant Fleet.
  - (b) The Chief Directorate of Educational Institutions (Glavnoye Upravleniye Uchebnymi Zavedeniyami - "GUUZ"). The head of this directorate is Karagezyan (fnu). It exercises supervision over the following educational establishments of the Merchant Fleet:
    - (1) The Odessa Institute of Marine Engineering
    - (2) Maritime colleges and schools
    - (3) Maritime training schools (Uchebno-Kursovyye Kombinaty). Each steamship company organizes and operates its own maritime training schools. The students are selected among promising company personnel who are given the necessary preparation so that they can return to their respective companies and fill higher positions.
    - (4) Preparatory maritime schools (Shkoly Morekhodnogo Obucheniya). These schools are organized by the steamship companies and other large agencies of the Merchant Fleet for the training of young people. These schools have the same rank as the FZO schools (Fabrichno-Zavodskogo Obucheniya) and they are organized on the same pattern. The course lasts two years. The young people are divided into various groups and trained as stokers, mechanics, motor specialists, and seamen first and second class.

SECRET/SECURITY INFORMATION

## SECRET/SECURITY INFORMATION

50X1

-7-

- (c) The Mobilization Section (Voyenno-Mobilizatsionnyy Otdel). The head of this section is Lt Col Kalashnikov (fnu). This section is responsible for the preparation of all measures necessary in case of mobilization for war. These measures cover floating vessels, harbor facilities, and personnel of the Merchant Fleet.

11. Deputy Minister Bayev, who was appointed at the end of 1951 as Deputy Minister for General Administration, is in charge of a chief directorate and 11 other departments, which can roughly be broken down into technical, administrative, and security services, as follows:

- (a) The Chief Directorate of Maritime Routes (Glavnoye Upravleniye Morskikh Putey - "Glavmorput"). The head of this directorate is Polyakov (fnu), Director General of the Merchant Fleet, Third Class. The directorate is in charge of all regional agencies of maritime routes and of all dredging bases (Dnoughlubitel'naya Baza).
- (b) The Main Inspectorate of Harbors and Navigation (Glavnaya Inspektaiya Portov i Moreplavaniya). The Head of this inspectorate is Polkovskiy (fnu), Director General of the Merchant Fleet, Third Class. This department of the Ministry is responsible for the maritime inspectorates attached to the steamship companies, the harbor masters, and all the other harbor authorities.
- (c) The Main Maritime Register (Tsentral'nyy Morskoy Registr). This is the highest administrative agency for all harbor inspectorates of the maritime registry. Its supervision is exercised in the field of new ship construction, where it enforces strict compliance with the specifications prescribed for every particular class of vessel (Registr Klass).
- (d) The Main Administration of Signal Services (Tsentral'noye Upravleniye Svyazi). The head of this administration is Engineer Kheyfets (fnu), Director General of the Merchant Fleet, Fourth Class. The administration is responsible for organizing and supervising signal services between harbors and floating vessels, and vessel to vessel service. For this purpose signal agencies are attached to every steamship company. They are subordinate to the companies in administrative and financial matters, but for technical matters they report directly to the ministry.
- (e) The Planning and Economics Section (Planovo-Ekonomicheskii Otdel) is headed by Engineer Valeriy Avksent'yevich Petrukhin, Director General of the Merchant Fleet, Third Class. It is responsible for planning the use of bottoms and for financing the commercial activities of the ministry. On the basis of transport requirements needed for the fulfillment of the annual state plan (Gosplan), this section assigns transport quotas to individual steamship companies.

SECRET/SECURITY INFORMATION

## SECRET/SECURITY INFORMATION

-8-

50X1

- (f) The Legal Section (Yuridicheskiy Otdel) is headed by Furman (fnu). This section is responsible for legal matters, as well as for some commercial matters which in the Ministry of the Merchant Fleet are very often closely connected. In the commercial field the duties of this section consist in the preparation of transport rates. In the legal field it is responsible for commentaries on laws and decrees which concern the ministry, particularly those affecting labor relations and wages. The legal section represents the ministry and its agencies in various court procedures, such as suits between the ministry on the one hand and other state agencies or individuals on the other. Each steamship company has its own legal adviser (Yuriskonsul't) who represents the company in all legal matters. He is an employee of the company to which he is attached but in his special field he receives his directives from the ministry.
- (g) The Labor and Wages Section (Otdel Truda i Zarplaty) is headed by Aleksander Alekseyevich Gretskiy, Captain of the Merchant Fleet, First Class. This section determines the wages and promotion schedule, handles efficiency ratings, bonuses, and work norms.
- (h) The Main Finance Section (Tsentral'nyy Finansovyy Otdel) is in charge of all financial problems connected with the functioning of the ministry, its agencies, and companies. It draws up the budget and handles banking accounts. It is also responsible for the availability of funds needed by the whole ministry.
- (i) The Main Accounting Office (Tsentral'naya Bukhgalteriya) is headed by Chief Accountant Filipov, Colonel, Director of Administrative Services (Polkovnik, Direktor Administrativnoy Sluzhby). This office is responsible for accounting services and financial inspections in the ministry and all its subordinate agencies and companies.
- (j) The Classified Documents and Cipher Section (Sekretno-Shifrovaniy Otdel) is responsible for the registry and safekeeping of classified documents and correspondence. It is also responsible for the enforcement of security regulations and for the investigation of employees to establish their political reliability, which is really a function of the MGB. At the same time this section is responsible for the cipher service. As a rule all messages and information pertaining to cargoes, movements, and location of vessels are coded. The same rule applies to information concerning organizational strength, the names of high ranking employees, the vessels and companies to which they are attached.
- (k) The Main Administration of Militarized Guard Service (Tsentral'naya Voenizirovannaya Okhrana - "TsVOkr") is responsible for the organization and supervision of militarized guard service within the ministry and all its agencies. Every steamship company, every harbor and port administration, shipyard, wharf, repair shop, warehouse, etc, is assigned a contingent of militarized guardsmen. These guards, who wear the merchant fleet uniform, are civilian employees (Vol'nouyemnyye) of the ministry and its subordinate agencies. During World War II the guards were almost all women; after the war their place was taken by veterans. For supply, pay,

SECRET/SECURITY INFORMATION



SECRET/SECURITY INFORMATION



50X1

-9-

discipline, political indoctrination, and administration the guard units are under the ministry.

- (1) The Administration Section (Upravleniye Delami) is headed by German (fm), a civilian. It is responsible for office supplies and administrative services affecting the people who work in the building of the Ministry of the Merchant Fleet.
12. The Main Administration of the North Sea Route, directly subordinate to the USSR Council of Ministers, is closely connected with the Ministry of the Merchant Fleet.

Enclosure (A): Organization Chart of the Ministry of the Merchant Fleet.

1.  Comment: It is not clear whether this name is Shavinov or Bayinov.

50X1-HUM

SECRET/SECURITY INFORMATION

Organization Chart of Soviet Ministry of the Merchant Fleet

